

Manufacturers' Inventory and Sales Expectations

Table 1.—Manufacturer's Inventories and Sales

	Actual		Expected		
	1971 IV	1972			
		I	II	III	IV
Billions of dollars, seasonally adjusted					
Inventories, end of quarter.....	101.7	102.5	103.5	104.4	105.4
Durables manufacturers.....	65.9	66.6	67.4	68.1	68.8
Nondurables manufacturers.....	35.8	35.9	36.1	36.3	36.6
Sales, quarter total.....	171.1	170.7	183.9	188.9	190.8
Durables manufacturers.....	91.7	90.7	100.4	104.9	106.9
Nondurables manufacturers.....	79.4	80.0	83.5	84.0	83.9
Months of sales, seasonally adjusted					
Inventories-sales ratio ¹	1.78	1.72	1.69	1.68	1.69
Durables manufacturers.....	2.15	2.07	2.01	1.99	1.97
Nondurables manufacturers.....	1.35	1.31	1.30	1.28	1.27
Percent					
Inventories condition "High" ²	17	15	15	15	15
Durables manufacturers.....	15	15	15	15	15
Nondurables manufacturers.....	15	15	15	15	15
Inventories condition "Low" ³	1	3	5	5	5
Durables manufacturers.....	1	4	5	5	5
Nondurables manufacturers.....	1	2	6	5	5
Billions of dollars					
Inventory imbalances:					
Inventory excess.....	2.00	1.72	1.71	1.68	1.69
Inventory deficiency.....	.16	.78	.58	.58	.58
Net excess.....	1.84	.94	1.13	1.10	1.11

1. End-of-quarter inventories divided by average monthly sales during the quarter.

2. Percent of inventory book value held by companies classifying their inventories as "High" or "Low" relative to sales and unfilled orders; remaining percentage is held by companies classifying holdings as "About Right."

Data: Census.

The cautious inventory policies that have characterized the current economic recovery continue to be evident from the latest quarterly survey of manufacturers' inventory and sales expectations taken in July and August. The survey's findings, which became available in late October, show that manufacturers expected to add \$0.9 billion to inventories in the third quarter, and \$1 billion in the fourth; these increases are little different from those in the earlier quarters of the year.

Manufacturers' sales expectations show a rise of 2.7 percent for the third quarter, and a further increase of 1.1 percent for the fourth quarter. These rates of gain compare with actual increases of 4.4 percent in the first quarter and 2.9 percent in the second quarter.

Companies holding 15 percent of total manufacturers' inventories classified their June 30 stocks as "high"; this was the same proportion as on March 31, but well below the 21 percent reported as of June 30, 1971. Inventories classified as "low," which were negligible at the beginning of the year, rose to a more appreciable 5 percent as of June 30, 1972. If the sales and inventory expectations are realized, the recent decline in manufacturers' inventory-sales ratios would continue through the third quarter, and hold at this rate at yearend.

Responsibility for the quarterly survey was transferred early this year from BEA to the Census Bureau, and problems associated with the transfer delayed tabulation of the July survey

Revisions since January 1966 in aggregate manufacturing and trade sales and inventories and in inventory/sales ratios, regularly published on page 5-5 of the Survey, are shown below.

The revisions in the aggregate reflect new estimates for manufacturers' shipments and inventories and for retail inventories. Data for retail sales and for wholesalers' sales and inventories have not been revised.

Fuller details on the revision for manufacturing, which starts in January 1966, are published in the Census Bureau's report, *Manufacturers' Shipments, Inventories, and Orders: 1966-1972*, Series M3-1.4 (revised). Retail inventories starting in January 1970 have been adjusted to the data in the Bureau of the Census's *1971 Annual Retail Trade Survey*, which provides the annual benchmark for the monthly series; in addition, the seasonal factors have been updated.

Table A.—Manufacturing and Trade Sales, Inventories, and Inventory/Sales Ratios, and Retail Inventory/Sales Ratios

Year and month	Manufacturing and trade sales and inventories				Inventory/sales ratios				Year and month	Manufacturing and trade sales and inventories				Inventory/sales ratios			
	Unadjusted		Seasonally adjusted		Manufacturing	Retail trade				Unadjusted		Seasonally adjusted		Manufacturing	Retail trade		
	Inventories	Sales	Inventories	Sales		Total	Durable	Non-durable		Inventories	Sales	Inventories	Sales		Total	Durable	Non-durable
1966:																	
January	120,384	77,778	121,628	85,100	1.43	1.30	1.88	1.18	January	155,006	93,011	155,006	103,108	1.50	1.44	2.02	1.16
February	123,173	80,678	123,028	85,408	1.44	1.41	1.81	1.16	February	157,184	95,340	157,184	104,140	1.55	1.44	1.99	1.17
March	125,342	83,740	125,298	87,180	1.42	1.30	1.83	1.17	March	159,315	97,164	158,140	104,803	1.56	1.46	2.04	1.17
April	126,706	87,060	126,207	89,006	1.45	1.42	1.80	1.16	April	160,877	102,873	160,877	105,353	1.56	1.44	2.02	1.17
May	128,082	89,878	128,848	90,110	1.47	1.47	2.13	1.17	May	161,537	104,916	161,537	105,571	1.56	1.45	2.00	1.18
June	128,880	91,078	128,680	87,588	1.47	1.48	2.07	1.17	June	161,264	104,819	160,958	105,844	1.57	1.45	2.00	1.18
July	120,118	83,788	120,783	80,788	1.40	1.48	2.08	1.17	July	161,056	99,187	161,056	102,867	1.57	1.45	2.10	1.18
August	120,068	87,103	121,200	87,705	1.49	1.48	2.00	1.18	August	161,004	102,393	162,782	104,174	1.50	1.47	2.10	1.18
September	120,786	86,272	123,223	88,383	1.40	1.45	2.02	1.18	September	162,607	100,630	163,890	104,823	1.56	1.48	2.09	1.19
October	123,804	90,820	123,182	88,492	1.51	1.47	2.08	1.10	October	165,234	110,474	165,696	106,870	1.56	1.49	2.15	1.19
November	120,428	87,841	126,214	87,841	1.54	1.48	2.00	1.10	November	167,010	109,516	165,606	104,774	1.58	1.49	2.15	1.19
December	126,262	93,488	126,729	88,061	1.55	1.50	2.00	1.22	December	168,302	109,222	168,404	104,274	1.58	1.50	2.15	1.20
1967:																	
January	127,182	80,983	126,017	88,323	1.56	1.48	2.08	1.10	January	166,845	90,180	166,810	108,841	1.41	1.40	2.20	1.16
February	128,775	82,018	128,580	87,938	1.58	1.40	2.16	1.20	February	167,065	93,380	168,073	101,385	1.41	1.48	2.15	1.17
March	140,422	90,718	130,205	88,416	1.58	1.48	2.09	1.19	March	160,717	104,897	165,428	103,062	1.52	1.47	2.10	1.17
April	141,395	88,045	129,087	88,683	1.58	1.47	2.05	1.20	April	171,568	103,044	169,762	103,201	1.64	1.47	2.14	1.17
May	141,008	90,409	140,109	88,705	1.58	1.45	2.02	1.20	May	171,260	105,884	169,072	104,781	1.62	1.45	2.11	1.16
June	140,787	92,720	140,420	89,870	1.57	1.43	1.95	1.10	June	171,160	110,057	170,098	105,078	1.62	1.47	2.12	1.17
July	140,194	84,682	140,368	89,245	1.66	1.45	2.00	1.10	July	171,140	105,491	171,505	106,470	1.63	1.47	2.18	1.17
August	140,412	90,051	141,381	90,588	1.57	1.45	2.01	1.20	August	170,701	105,095	172,720	106,800	1.63	1.48	2.14	1.17
September	141,028	91,748	142,230	90,883	1.60	1.43	1.91	1.19	September	171,841	107,287	173,221	105,498	1.64	1.47	2.14	1.17
October	142,820	92,027	142,508	90,028	1.60	1.45	2.06	1.19	October	173,884	107,720	174,437	106,713	1.67	1.49	2.18	1.17
November	145,063	93,155	145,063	91,068	1.67	1.46	2.03	1.20	November	176,007	108,290	174,374	102,460	1.70	1.47	2.24	1.17
December	149,947	97,894	149,108	93,432	1.75	1.47	2.03	1.20	December	173,486	110,004	174,045	104,008	1.67	1.47	2.22	1.18
1968:																	
January	144,954	80,000	144,817	94,162	1.65	1.40	2.03	1.10	January	174,870	97,617	174,740	108,707	1.65	1.40	2.07	1.10
February	146,503	80,000	146,544	94,444	1.65	1.44	2.00	1.18	February	175,347	101,801	175,472	108,201	1.63	1.40	2.08	1.17
March	148,062	86,812	148,080	95,213	1.64	1.41	1.95	1.10	March	176,633	111,270	177,390	108,702	1.62	1.47	2.06	1.19
April	149,816	88,021	148,307	95,198	1.60	1.44	2.01	1.17	April	180,046	111,022	178,087	110,463	1.64	1.47	2.06	1.19
May	148,884	88,887	148,555	96,194	1.60	1.44	2.01	1.17	May	180,897	112,531	178,827	111,456	1.60	1.49	2.12	1.19
June	150,586	100,163	150,301	100,079	1.55	1.43	2.04	1.16	June	170,031	118,172	170,165	112,447	1.64	1.48	2.11	1.19
July	149,871	84,484	150,747	98,291	1.53	1.42	1.93	1.15	July	178,853	108,430	170,012	111,701	1.61	1.50	2.18	1.20
August	150,100	86,106	151,787	98,578	1.58	1.42	1.98	1.15	August	178,283	111,241	180,208	113,010	1.58	1.48	2.07	1.19
September	150,830	86,809	152,463	98,830	1.55	1.42	1.97	1.15	September	178,708	115,710	181,331	113,400	1.60	1.48	2.04	1.20
October	153,030	103,460	153,196	100,507	1.54	1.43	1.97	1.17	October	182,123	118,477	181,747	113,101	1.61	1.49	2.09	1.20
November	155,001	101,349	154,280	101,077	1.54	1.43	1.98	1.10	November	183,393	110,083	181,882	115,787	1.57	1.49	2.01	1.16
December	153,060	103,026	155,830	90,033	1.57	1.45	2.01	1.18	December	181,010	121,517	182,843	116,680	1.58	1.50	2.10	1.21

Table B.—Retail Inventories

	Unadjusted										Adjusted									
	Retail trade, total	Durable goods stores, total	Auto-motive group	Furniture and appliances group	Lumber, building materials, hardware group	Non-durable goods stores, total	Apparel group	Food group	General merchandise group	Department stores	Retail trade, total	Durable goods stores, total	Auto-motive group	Furniture and appliances group	Lumber, building materials, hardware group	Apparel group	Food group	General merchandise group	Department stores	
1970:																				
January	43,785	20,187	0,706	3,184	2,827	23,208	4,160	4,743	8,907	5,132	46,188	20,375	0,647	3,303	2,078	24,813	4,621	4,808	9,894	
February	44,007	20,632	0,002	3,284	2,619	24,008	4,273	4,796	9,103	5,312	46,200	20,398	0,530	3,310	2,035	24,880	4,481	4,844	9,688	
March	45,324	21,128	10,241	3,200	2,673	24,748	4,411	4,840	9,362	5,036	46,273	20,378	0,883	3,323	2,023	24,806	4,484	4,835	9,724	
April	46,606	21,620	10,441	3,307	2,607	25,125	4,460	4,865	9,720	5,118	46,600	20,415	0,925	3,324	2,010	25,090	4,481	4,860	9,771	
May	48,062	21,302	10,469	3,318	2,643	24,778	4,272	4,867	9,000	5,443	46,615	20,344	0,570	3,295	2,000	25,004	4,488	4,867	9,711	
June	46,277	21,480	10,471	3,348	2,648	24,788	4,276	4,873	9,087	5,485	46,418	20,040	0,585	3,361	2,008	25,305	4,480	4,883	9,613	
July	46,328	21,825	10,661	3,347	2,638	25,008	4,265	4,891	9,805	5,576	46,415	20,110	0,106	3,371	2,028	25,487	4,408	4,925	10,069	
August	46,484	16,020	9,100	3,383	2,614	25,826	4,260	4,890	10,178	5,680	46,846	21,217	10,375	3,380	2,048	25,026	4,803	4,928	10,105	
September	46,267	18,963	9,113	3,404	2,625	26,804	4,030	4,808	10,741	5,449	46,846	21,130	10,238	3,394	2,067	25,718	4,371	4,992	10,206	
October	47,018	10,607	8,843	3,510	2,611	27,440	4,086	4,802	11,447	5,691	46,161	20,280	9,505	3,428	2,048	26,806	4,378	4,968	10,306	
November	47,964	10,516	8,286	3,563	2,625	28,440	4,082	4,802	11,708	5,881	46,137	19,810	8,800	3,413	2,062	26,816	4,472	5,074	10,510	
December	46,489	10,601	8,850	3,384	2,671	28,038	4,200	4,878	9,005	5,970	46,650	20,346	9,153	3,432	2,748	26,291	4,384	5,018	10,528	
1971:																				
January	46,830	20,301	0,846	3,323	2,744	26,180	4,088	4,870	9,869	5,867	47,183	20,728	0,560	3,444	2,707	26,406	4,401	5,060	10,703	
February	47,224	21,607	10,400	3,362	2,844	26,967	4,150	4,904	10,226	6,128	47,000	21,300	10,126	3,458	2,888	26,889	4,387	5,070	10,836	
March	48,582	22,860	11,288	3,455	3,000	26,933	4,427	5,120	10,700	6,616	48,890	21,770	10,400	3,470	2,918	27,000	4,445	5,130	10,981	
April	49,496	23,781	11,087	3,533	3,043	27,238	4,454	5,120	11,040	6,644	49,348	22,142	10,781	3,488	2,949	27,208	4,441	5,188	11,102	
May	49,689	23,850	12,018	3,528	3,117	27,030	4,380	5,204	11,001	6,615	49,821	22,841	11,066	3,500	3,028	27,274	4,447	5,100	11,179	
June	49,648	23,680	12,155	3,507	3,118	26,886	4,328	5,242	10,937	6,600	50,008	22,772	11,292	3,514	3,066	27,430	4,483	5,263	11,260	
July	49,373	23,330	11,818	3,479	3,308	27,013	4,308	5,287	11,029	6,558	50,420	22,817	11,308	3,507	3,104	27,492	4,489	5,280	11,225	
August	49,577	22,181	10,832	3,618	3,076	27,806	4,394	5,218	11,818	6,710	51,223	22,441	11,828	3,534	3,110	27,783	4,517	5,316	11,330	
September	49,614	22,918	11,230	3,606	3,110	28,696	4,705	5,280	11,973	7,177	52,104	24,143	12,309	3,560	3,187	27,901	4,513	5,344	11,670	
October	52,670	22,139	11,294	3,826	3,188	29,740	4,809	5,452	12,977	7,032	53,083	24,034	12,216	3,511	3,285	28,048	4,640	5,304	11,634	
November	53,720	22,287	11,278	3,710	3,205	30,332	5,006	5,830	12,836	7,821	51,916	23,872	11,972	3,504	3,256	28,014	4,652	5,277	11,483	
December	50,880	23,153	11,384	3,567	3,219	27,737	4,291	5,687	11,048	8,413	52,261	23,806	11,772	3,493	3,312	28,463	4,583	5,442	11,783	